

We created our unique company with one more piece of the formula... the right strategic relationships and acquisitions.

Here is a quick overview:

- Icon CMT... now Qwest Internet Solutions... was an acquisition that gives us the capability to provide Internet Solutions for business.
- The Eunet acquisition... made us a leading European Internet provider.
- The joint venture with the Dutch Telecom Company KPN -  
- building a 40-city Internet Protocol network and a conduit for EUnet's services/
- LCI International.... An acquisition that gives us a national presence in long distance, and an advanced billing and service platform.
- The Microsoft alliance... will produce advanced e-commerce and networking applications for business that

will change how business gets its job done. Microsoft also made a \$200 million investment in Qwest.

- Bell South...this strategic relationship gives Qwest access to about 15 million consumer customers and 1.5 million business customers for integrated data, image and voice communications.
- The Netscape alliance... expanded ability to give individuals one-stop management of all their communications from a single web site.
- Covad/Rythms NetConnections investments... creating local connectivity and a solid position in digital subscriber lines... which will increase the speed of local connections to business.
- Over the past very active months, we have built a new kind of company for a new age of demand and opportunity.
- The challenge in 1999 is to deliver on the promise we've created.

We will continue to:

- Lead the convergence of multimedia communications.
- Build the world's most advanced network.
- Maintain cutting-edge technology.
- Deliver sophisticated IP/data services and bandwidth-enabled applications.
- Expand the business through acquisitions, alliances and internal growth initiatives.
- And be guided by a clear vision.

That clear vision is to build shareholder value by creating a dominant network platform that enables customers to seamlessly exchange multimedia content -- images, data and voice--- as easily as traditional telephone networks enable voice communications.

In our brief history, I believe we've proven two things.

One, we're a company with a vision.

Second, we've shown we're a company that can execute.

In combining vision and execution... we're creating what I truly believe is the first great new company of the 21<sup>st</sup> century and a company that creates shareholder and customer value.

Thank you for your interest. Now, let's get to your questions.  
Who has the first one?

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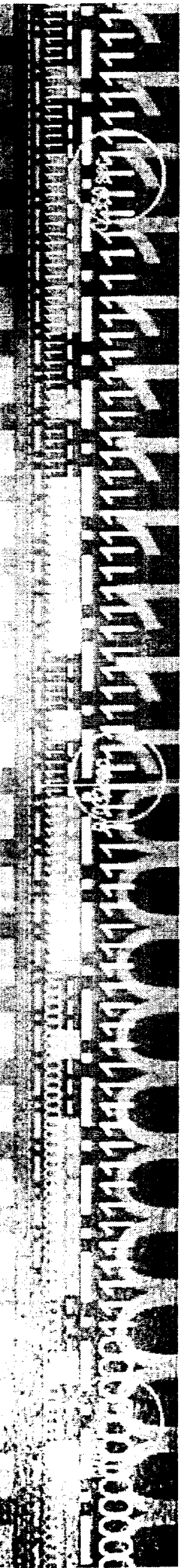
# **Qwest PowerPoint Presentation**

**by Joseph P. Nacchio  
Chief Executive Officer  
at Sanford Bernstein**

**6/9/99**

*ride the light*

Qwest



**Joseph P. Nacchio**

**Chairman**

**and**

**Chief Executive Officer**



# The Qwest Vision

- To build shareholder value by creating the dominant IP network platform that enables customers to seamlessly exchange multimedia content.

# Qwest in 1999

• Revenue	\$3.6-3.7 Billion
• EBITDA	\$750 Million
• Customers	4 Million
• Employees	8,500
• U.S. Route Miles	18,815
• U.S. Fiber Miles	900,000
• Global Fiber Miles	1.35 million
• Cyber Centers	7
• Local Broadband Markets	40
• Frame Nodes	70,000

# Qwest Differentiation

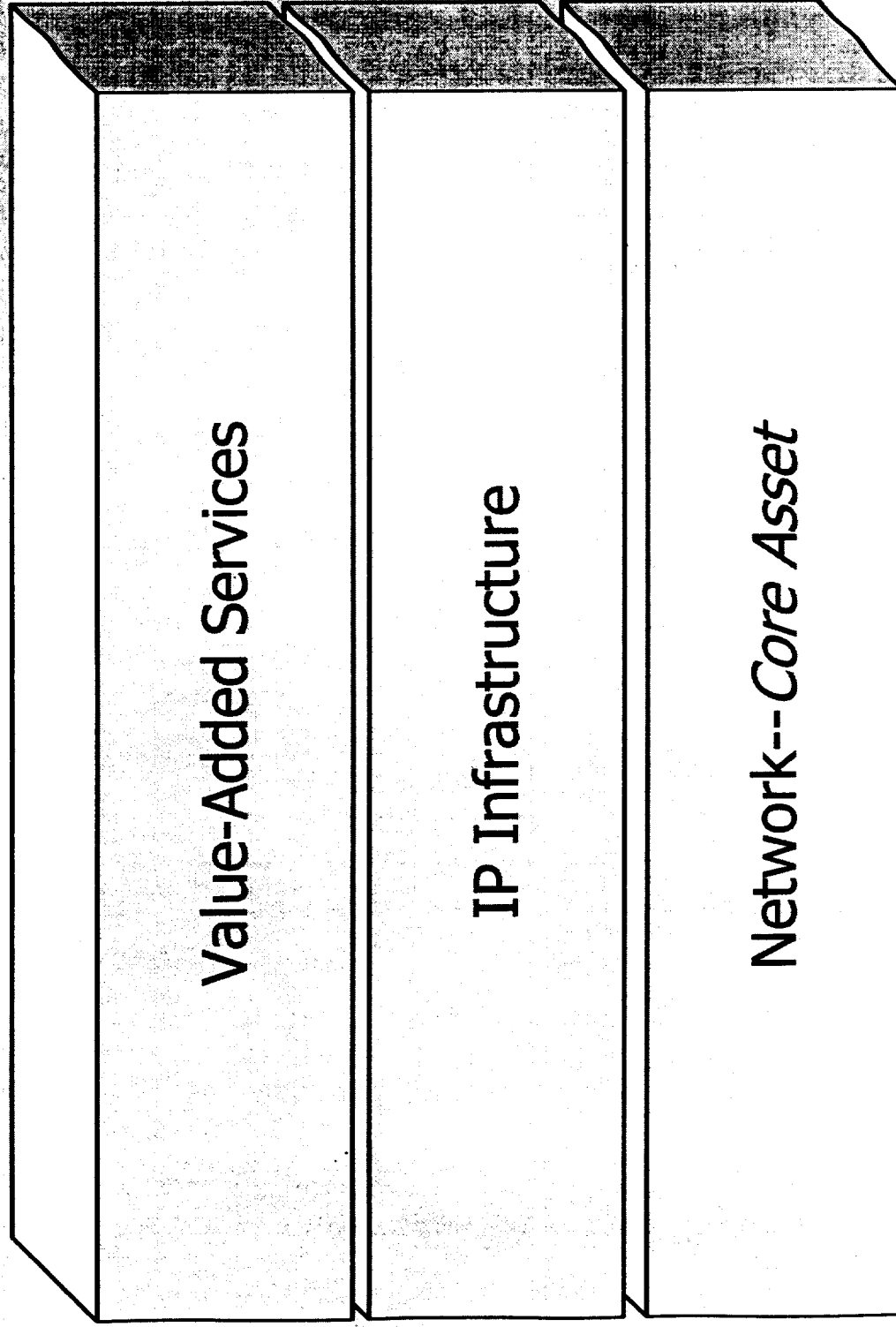
- Completing U.S. broadband network
- Building a global platform and broadband local connectivity
- Moving up the value chain in hosting, E-Commerce and ASP market segments
- Strong growth in data and IP revenue
- Adding to our portfolio of strategic distribution and technology partners

# Platform for Growth

- Strategy based on industry drivers - users and applications
  - User community growth demands more sophisticated apps
  - More sophisticated apps draw more users to the internet
- Building the dominant internet platform for application development
- Enabling customers to transition to virtual business models
- Value-added services create high barriers to departure
- Leveraging time to market



# The Qwest Internet Platform



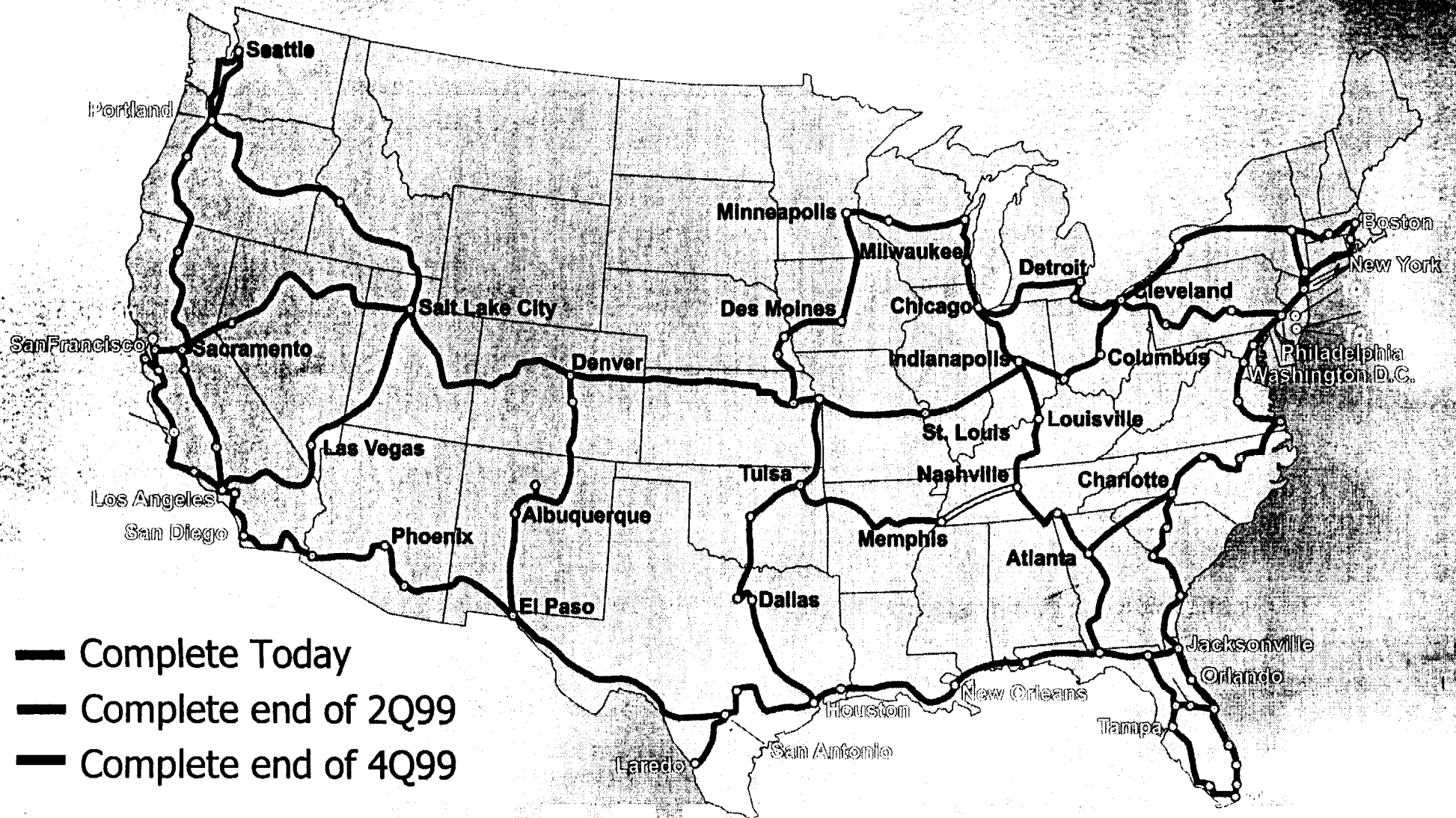
# Network--Core Asset

Value-Added Services

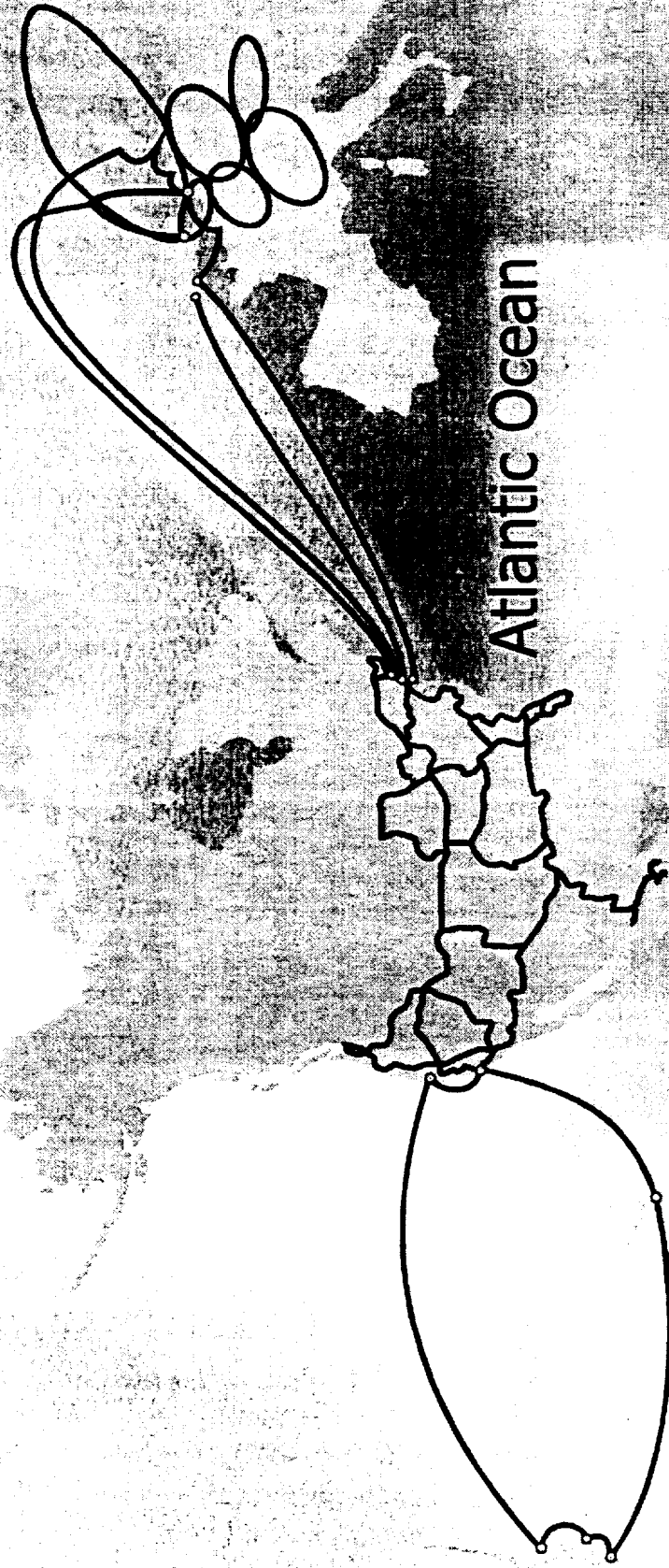
IP Infrastructure

- High speed
- High capacity
- Most reliable
- Fully operational

# U.S. Network Status

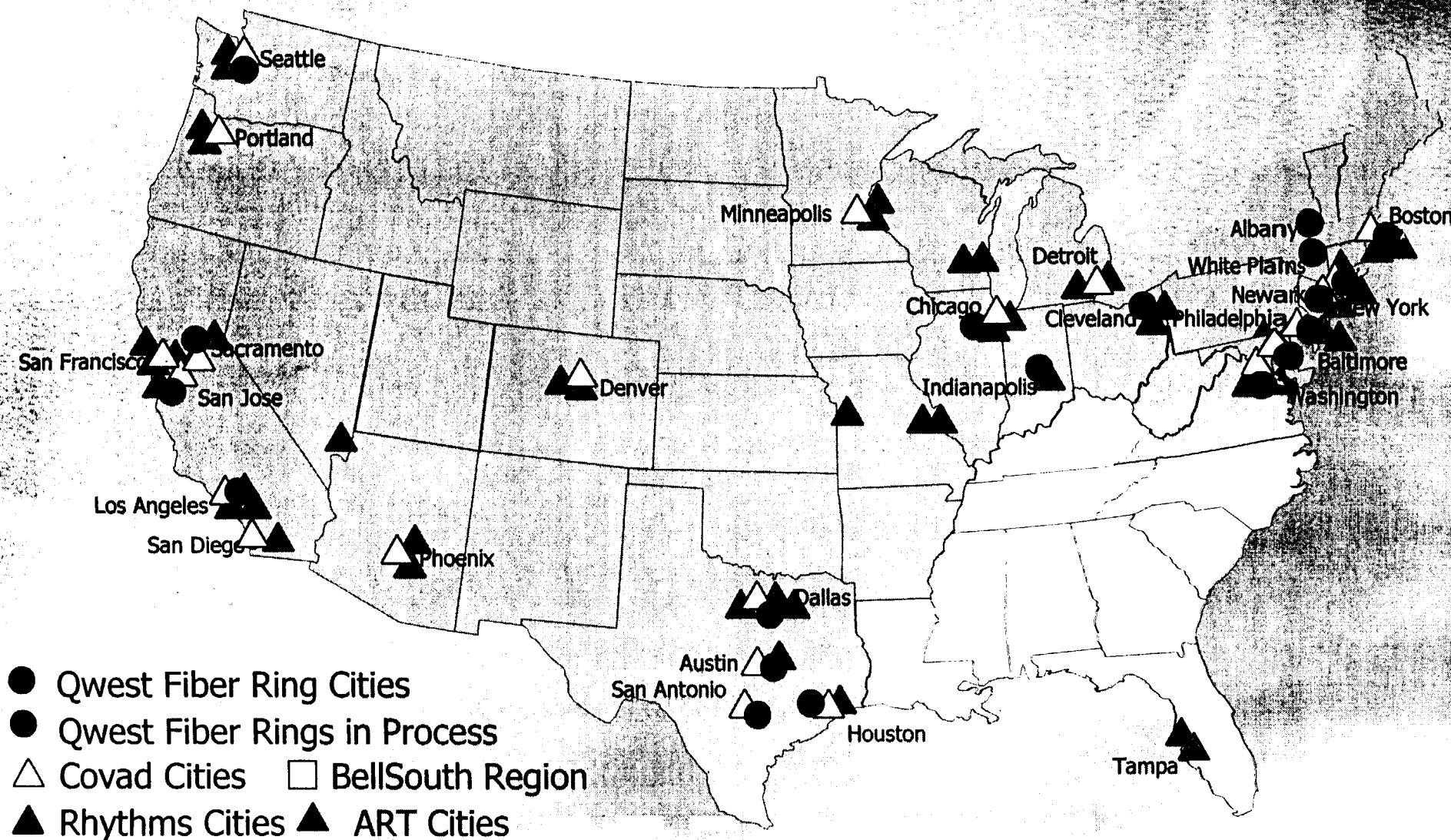


# Unified Global Multimedia Network

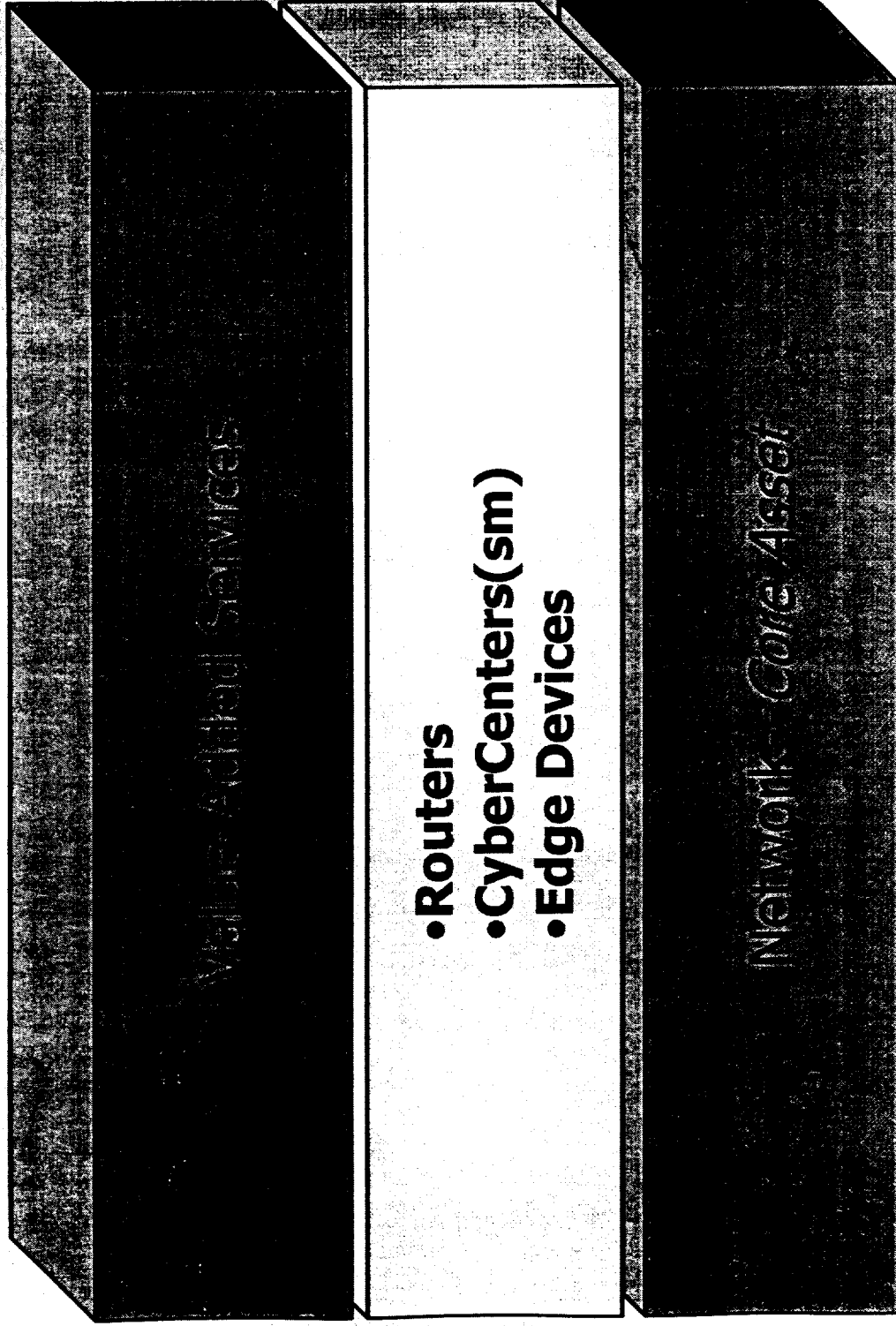




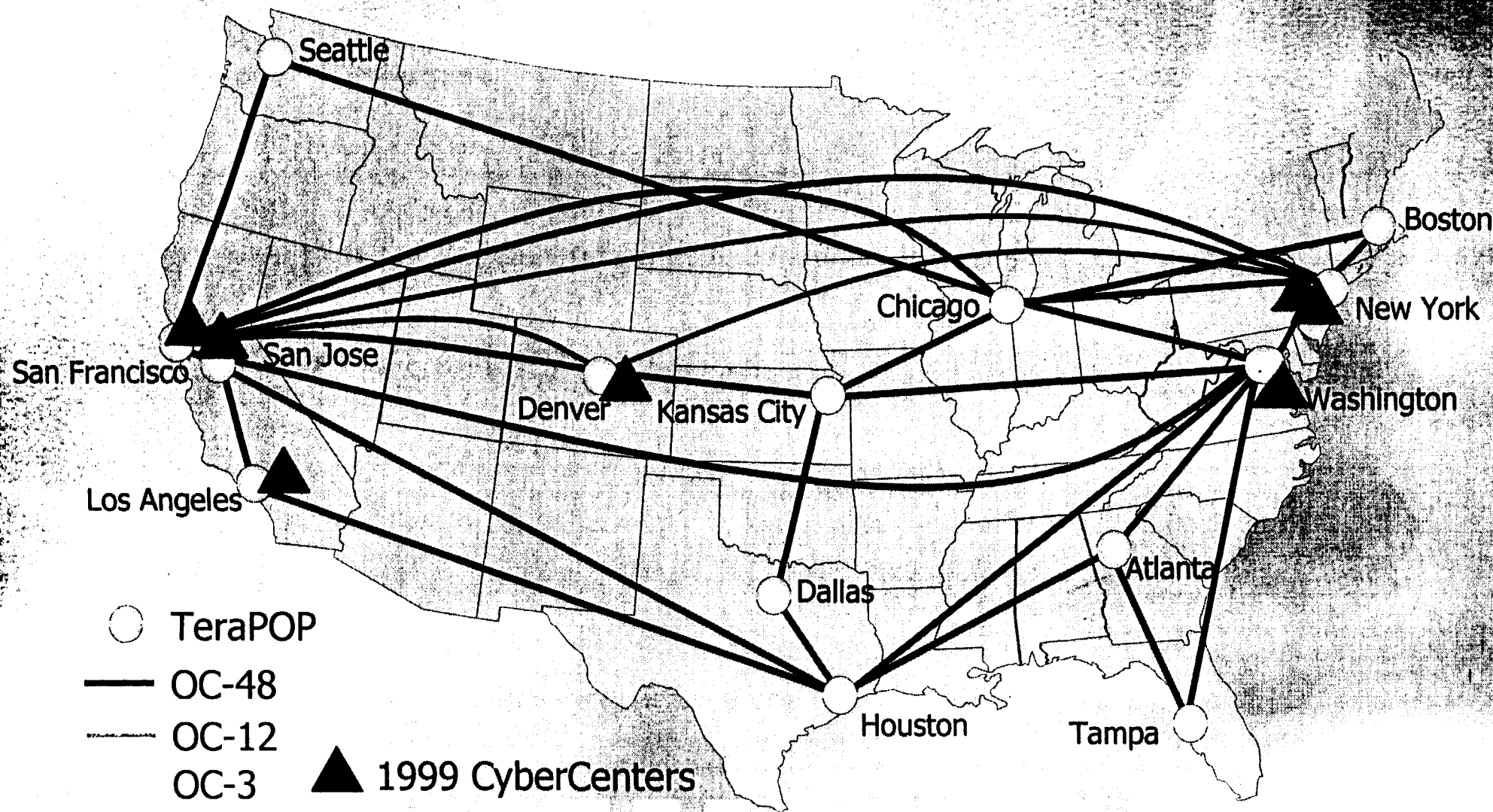
# Qwest Local Broadband Capabilities



# IP Infrastructure



# Qwest IP Infrastructure



# Robust Network Architecture and Reach

<u>U.S. Network</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
• On net MSAs	62	127	130
• TeraPOPs	10	14	14
• CyberCenters	3	7	10
• Hosting capacity (Gbps)	2	20	50
• IP routers	30	225	600
• IP network capacity (OC 48 miles)		50,000	200,000
• Frame/ATM switches	46	130	170

# Value-Added Services

- **Internet Connectivity**
- **E-Commerce / Web Hosting**
- **Applications Service Provider**

IP Infrastructure

Network Core Asses



# IP Service Offerings

✓ Complex Web Hosting

✓ Q.Commerce

✓ VOIP development

✓ 125 markets

• Applications Service  
Provider offerings

3Q99 – ERP, CRM

✓ Internet access

✓ Dedicated

✓ via Frame Relay, DSL

4Q99 • Virtual Private  
Networks

– CPE based

– Network based

– Dial

1Q00 • Multi-service platform

# ASP Alliances Deliver More Value

**\$21 Billion**

**2001**

Others

Oracle - integrated

solutions

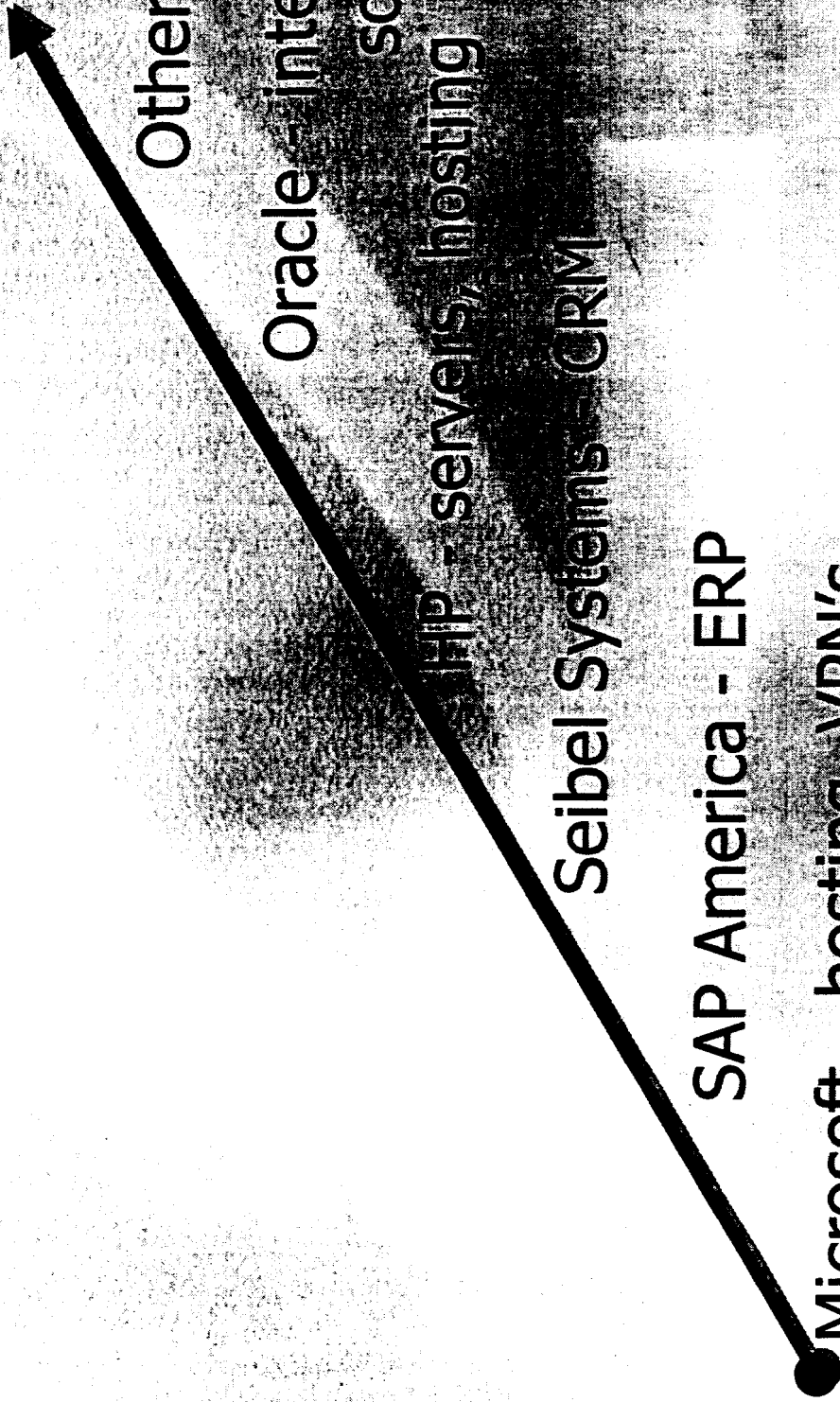
HP - servers, hosting

Seibel Systems - CRM

SAP America - ERP

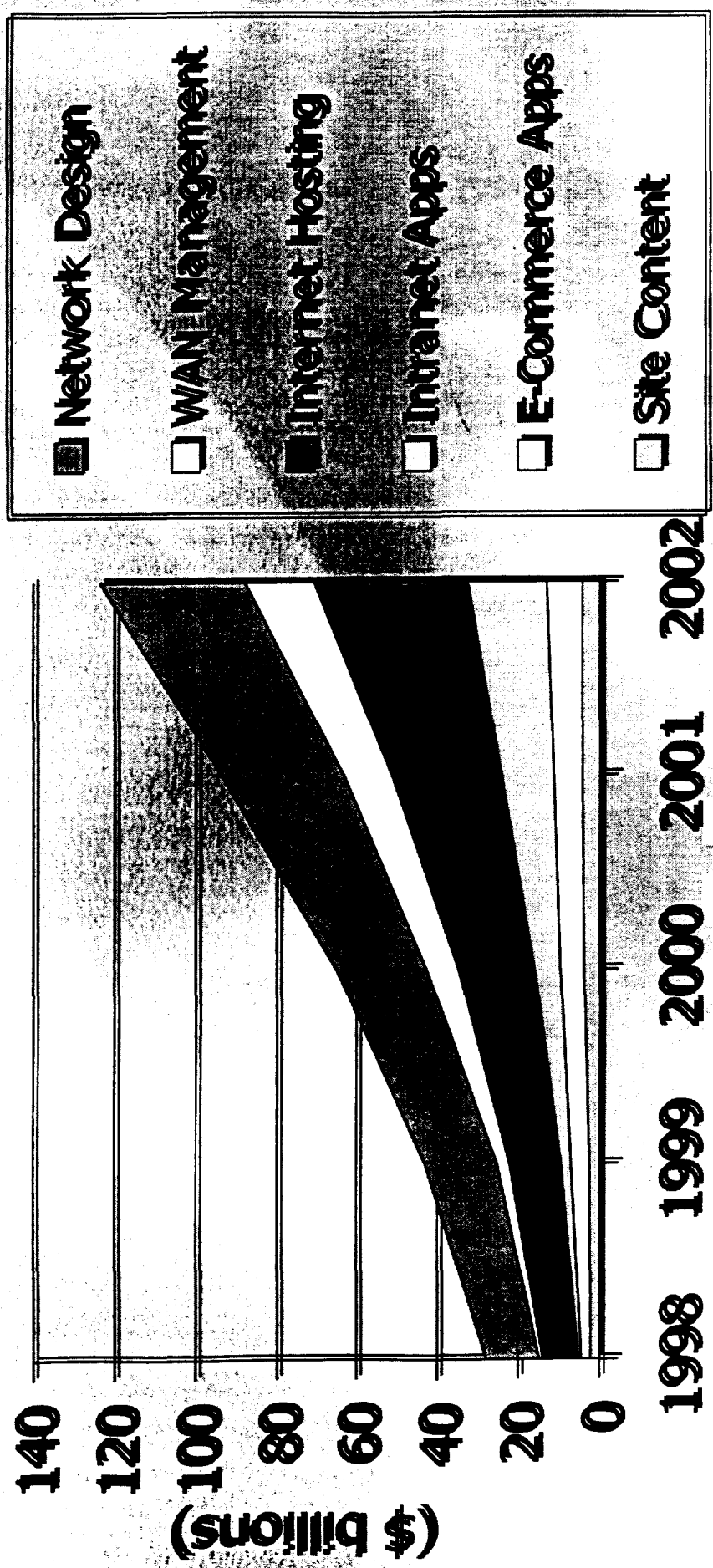
Microsoft - hosting, VPN's

**1998**



# IP / E-Commerce Market Opportunity

## Technology Services - Addressable Market



Source: Forrester Research



# Delivering the Promise of the IP Future NOW . . .

- √ Global network with abundant broadband capacity
- √ Leading edge service delivery platforms and skill set
- √ Strategic technology/distribution partners
- Real customers and strong revenue growth
- Strong financials while investing for growth
- Leverage time to market with demonstrated execution
- Seek opportunities to accelerate the strategy